MARYLAND VOTE HIGHLIGHTS DEMOCRATS' ECONOMIC FEARS OVER GHG BILLS

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Concerns among Maryland's Democratic state senators that strict greenhouse gas (GHG) control legislation could undermine the economy during the recession are highlighting difficulties congressional Democrats may face as they seek to overcome GOP and industry arguments that federal GHG legislation will raise energy prices and drive business overseas.

Maryland's state Senate voted March 20 to scale back what environmentalists had said was the strictest climate control bill in the nation, with more than a third of Senate Democrats joining Republicans in voting to adopt an amendment that critics say would stymie regulators' ability to implement the law.

While Maryland House Majority Leader Kumar Barve (D) says he hopes to strip the amendment from the legislation when it comes up for a vote in the lower chamber, he acknowledged in an interview that economic concerns drove senators to scale back the bill. "I think whenever you're under economic stress, like a recession, it causes hesitance," he says.

Economic concerns ultimately will always trump environmental ones, he said in the interview. "Looking in the long run can be an arduous thing for some people who are worrying about the housing crisis," and a general downturn in the economy, he says.

Barve says he expects a vote sometime before the current legislative session ends April 7. "We're going to try and make it clear that the environmental regulators have the ability to issue regulations," he says, adding that he plans to argue that passage of the climate bill will spur new "green" jobs in renewable energy and other environmentally friendly industries. "One of the stories that has not gotten out there is the enormous opportunities to create 'green collar' jobs," through the legislation.

His comments echo arguments from national environmental and labor groups that argue passage of federal climate legislation will spur the creation of a new "green" economy. However, industry groups like the National Association of Manufacturers (NAM) have already begun targeting vulnerable Democrats with arguments that placing a cap on greenhouse gas emissions would have dire consequences on the economy.

NAM and other industry groups opposed to the carbon cap-and-trade proposal sponsored by Sens. Joseph Lieberman (I-CT) and John Warner (R-VA), are continuing to push an industry-funded economic analysis of the bill, claiming that it will result in the loss of 1.8 million jobs by 2020. The NAM analysis is available at CarbonControlNews.com.

However, the two senators, whose bill, S. 2191, is slated for floor debate this June, are citing a recent EPA economic analysis that they say shows "the U.S. can curb global warming without sacrificing economic prosperity," according to a Mar. 14 press release.

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Maryland Bill The Maryland legislation, titled the "Global Warming Solutions Act" after landmark legislation passed in California in 2006, would require the state to reduce economy-wide greenhouse gas emissions 25 percent from 2006 levels by 2020, and would set a goal of reducing emissions 90 percent by 2050. In February, the bill received a major boost after receiving the endorsement of Gov. Martin O'Malley (D).

In its original form, which environmentalists praised as being the most stringent climate change bill in the nation, the state Department of the Environment (DoE) would have been tasked with implementing the bill through the issuance of regulations. But growing concerns over the legislation's impact on the Maryland economy -- and, in particular, the steel industry -- provided industry groups the ammunition they needed to convince 14 Senate Democrats to join 13 Republicans in voting for an amendment requiring DoE to seek legislative approval before issuing any regulations aimed at implementing the bill's call for emission reductions.

The amendment passed after lobbying by industry groups, including the Maryland Chamber of Commerce, which urged its members to send lawmakers a letter warning that the bill "would force businesses and jobs out of Maryland, and possibly out of the United States." The letter calls the bill "a local attempt at fixing a global issue," and warns that if passed, "the state will lose high-paying manufacturing jobs . . . [which] would place an even bigger burden on the state and federal economies."

That argument seems to have worked, particularly on Democrats representing districts with carbon-intensive industry. Baltimore County Sen. Norman Stone Jr. (D) cited concerns that the bill would cost the jobs of the 2,500 steel workers in his district when he voted for the amendment, while Baltimore city Sen. George Della (D) argued, "If Maryland is going to step forward and be in the forefront, we have to partner with these businesses and we can't be heavy handed."

"Maryland is facing a budget deficit and the recession is a reality," says a spokesman for the Chesapeake Climate Action Network, which supports the bill. The source says many lawmakers were affected by arguments by groups like the Chamber of Commerce that the bill could force several of the state's remaining carbon-intensive industries -- including the last remaining steel mill -- to shut down, resulting in the loss of several thousand jobs. "People just don't want to be creating something that would put a burden on Maryland," in a time of economic uncertainty, the source says.

But supporters of the bill are not ready to concede that taking action to mitigate the effects of climate change necessarily conflicts with promoting economic growth. "The fact is this bill would create a lot of opportunities for Maryland," argues the environmental source. "As the recession happens there is this opening for 'green collar' jobs, [such as] at-home investments in wind and solar power," the source says, noting that environmentalists are likely to increasingly push the original, more strigent form of the bill as a means of spurring a "green" economy in the state. -- Charles Davis

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